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FAMILY AND INDUSTRIAL DEVELOPMENT
IN INDIA : SOME ISSUES AND HYPOTHESES

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Although the tradition of empirical enquiries on the Indian family began at quite an early stage of the career of Indian Sociology and has been sustained vigorously ever since, conceptual clarity and methodological rigour have not been its strong points (Madan : 1962, a, 1976; Shah : 1964, 1968, 1973; Verma : forthcoming). In addition, in blindly following the Western habit of treating the Indian joint family as just the opposite of the western conjugal family, a certain substantive bias has also been shown by researchers in analysing the Indian family as a dependant and independent variable and as an inter-acting institution vis-a-vis larger societal processes such as urbanization, industrialization, modernization and economic development. The Weberian and neo-Weberian schools of thinking have, for instance, depicted the Indian family to be inimical to industrial development. ^{1/} Even those researchers who have not started with this conceptual bias have largely confined themselves to present the impact of the larger societal processes on the Indian family (Gore : 1963, 1968; Goode : 1963; Nimkoff and Midditton : 1960) how the Indian family has affected industrial development in India has received very scant attention.

It is only very recently that the Weberian and neo-Weberian theses and the one-sided view of relationship of the Indian family with industrial development are being increasingly questioned (Singer : 1968, 1972, 1973; Owens : 1971; Ramu : 1973; Verma : forthcoming) and the Indian family is beginning to be recognized as a dynamic resource allocating system - having its problems and strategies to cope with them - affecting the larger societal processes. Partly because of the historical legacy of conceptual confusion and methodological vagueness and partly because they use drastically different approaches and methodologies, this later tradition of research, however, faces a number of methodological and substantive issues. The limited objective of the present paper is to pose some conceptual and methodological issues involved in

1 For an exhaustive review of these, see Verma (forthcoming).

empirically investigating the relationship between the Indian family and industrial development for debate and generate substantive hypotheses which may be empirically tested through future researches.

I : CONCEPTUAL AND METHODOLOGICAL ISSUES

The methodological issues being posed here deal with two key variables : family and industrial development. Family for our purposes here has been considered not just a mere collection of a set of individuals but a collective entity having a profile of its own. Further, it has also been considered as a dynamic unit whose organisational and interactional structures keep on changing. Industrial development has been recognized as a historical process of entrepreneurship shown both by the private corporate sector and the state apparatus although the later is not our immediate concern.

1. As referred earlier, the Indian family as an area of research has attracted an impressive number of scholars from many disciplines. However, this large body lacks methodological rigour and conceptual clarity and there is hardly any universally acceptable agreement in describing the structure (composition, typology), dimensions and functioning of the family (Dube : 1973; Shah : 1973). As a result, there is a wide variation in the meanings assigned to the terms and concepts, used in describing the Indian family and it has come to mean different things to different scholars. Recent reviews of researches (Dube : 1973; Shah : 1973; Sinha : 1974, 1977; Verma : forthcoming) identify the following dimensions of family : (i) Commensal; (ii) Residential or household; (iii) Coparcenary; (iv) Network or inter-action; and (v) Ideal. It is here that the researcher is faced with a difficult choice. Although it is possible to treat each or various combinations of these dimensions as independent variables empirically - and to that extent analyse their relationship with other variables -, empirical richness has to be either sacrificed to achieve clearer conceptualization and comparative analysis or, alternately, larger resources may have to be deployed to enable the scholar retain empirical details.
2. Lanz et al (1973 : 582-83) point an accusing finger at the sociologists for having paid very little attention to the internal dynamics of the family change in historical perspective. Family, they argue, has been largely treated as a residual of external change and from this perspective it has

been viewed as a "sponge" absorbing change but not having much capacity to create change without outside intervention. There is, of course, no disagreement among the sociologists on the proposition that there is always some change occurring in the internal structure of the family : what remains unexplained is the specific nature of such change. It is true that major attention has been paid to broad microscopic variables, in anticipation that some linkage between these and internal family change agents can be made. The inability to spell out such a linkage has left a yawning gap in our knowledge and understanding of family structure and dynamics, more particularly in the area of social psychological processes.

3. The direction, pace and significance of internal events in the family, revolving around power, status, authority and dealing with allocation of resources, vis-a-vis changes in the external phenomenon could be better presented if the family itself is analytically treated as a dynamic resource allocating system. It is only then that the sources of internal structural stresses, strains and adaptations in the family be objectively traced and the degree and nature of impact that family exerts on external institutions and processes could be reasonably explained. Sociologists have, however, treated family mainly as a social institution, one which has only a peripheral significance in resource acquisition, mobilization and allocation. In India, this issue assumes greater significance because of socio-legal principles governing the sharing of common income and inheritance of familial property under which the very form of family remains fluid and flexible (Verma : forthcoming).
4. Given the above framework for analysing internal dynamics of the family, entrepreneurship - the historical process which largely determines the direction, content and pace of industrial development in any country - itself would need to be treated as a historical and non-linear process. Further, in societies such as India, where family, as an institution is the basic unit of individual identification and orientation, it would have to be recognized as a family phenomenon. However, although the scholarly tradition of studying entrepreneurship is nearly half century old, significant differences in opinions about its meaning, causation and operation continue to persist. The understanding of the concept itself is a result of several different stages of definition, quite often not properly differentiated from one another (Timberg : 1978 : 18). Very few researchers seem to have recognized the

fact that an entrepreneur performs a large number of roles sequentially in relation to his enterprises, societal development and, at the highest level of abstraction, the process of global transformation. And yet, to a great extent what happens inside the entrepreneur's family, decides how he is going to fashion his entrepreneurial style at various stages of his career and vis-a-vis various components of his external environment.

5. The dominant tradition in the studies on entrepreneurship has been to treat it as a process of challenge and response in which the entrepreneur acts as a central dynamic agent seeking to achieve some combination of profit maximization and growth of his enterprise, the precise nature and degree of it being responsive to wider social and cultural conditions (Alford : 1977 : 116-33). In this approach, factors such as markets and technology are seen, in a sense, as being given, an assumption fostered by the fact that these elements may well be common to all firms in an industry and/or beyond individual control. In evaluating the choices open to the entrepreneur, this is rarely extended to include an estimation of the relative contribution of entrepreneurship, as against other factors, to an enterprise's performance. Thus, a great many of studies on entrepreneurship are concerned with entrepreneurs per se and not with the business performance. Similarly, in analyzing the entrepreneurial strategy and structure, the factors precipitating a crisis in an enterprise's development are not given due attention : response part is. In perceiving the need for and nature of strategic decisions, an entrepreneur - particularly those in the large scale manufacturing sector - in societies such as India acts not singly but often in concert with quite a few members of his family and relatives (Hazari : 1968). In the research analyses, however, the contribution of the later is blacked out.
6. If entrepreneurship were to be treated as a historical process operating in a milieu, in a non-linear fashion, in different stages on the time continuum; and a family phenomenon governed by certain socio-legal principles, as done by some recent studies (Gaikwad and Tripathy : 1970; Verma : forthcoming), it would follow that entrepreneurial conduct is influenced by and, in turn, influences the structure and functioning of the family. Studies following this approach would essentially use historical material for empirical validation of the hypotheses postulated. This would pose problems in fitting the collected data in its final form into a theoretical framework plagued by persisting and unresolved controversies. Three such controversies have been recently highlighted (Chirot : 1976 : 232-41).

- (a) Part Played by Ideas in History Versus Material and Technological Factors : Two prominent scholars supporting the importance of ideas are Bendix (1976) and Roth (1971, 1976). Bendix views society and history primarily in terms of interplay of ideas and group interests and feels that ideologies and belief systems are only loosely tied to material conditions. Roth argues that religious virtuosi come up with beliefs that have made an important difference in social life and the particular content of their beliefs is most directly predictable from their material conditions. Opponents of this view, on the other hand, believe that technology and material conditions play major part in history (Heise, et al : 1976 : 316-37; Skocpol : 1976 : 284-315 and Wallerstein : 1976).
- (b) Quantitative Versus Anti-Quantitative Positions : Some claim that society and history can be expressed in mathematical terms : others say it cannot be done. There are still others who take a middle position. Weitman, et al (1976 : 338-67) indicate that factor analysis can make sense of some types of confusing census materials. Heise, et al (1976 : 316-37) suggest that certain kinds of ethnographic data can only be expressed in a meaningful way with mathematical tools and without such tools there is only a jumble of isolated facts. Bendix and Roth do not deny use of numerical data as such but are interested in problems that do not lend themselves to quantitative analysis. Not all those who use quantitative data feel that mathematical models are the only way (Shorter and Tilly : 1974).
- (c) Evolutionary Versus Anti-Evolutionary Theorization : Cyclical view of history has always been opposed to evolutionary theories which emphasize ever higher stages of social organisation. Much of development theory argues that all societies pass through stages that roughly approximate the western route to industrial revolution and that eventually they will all come to resemble contemporary Western industrial systems (Parsons : 1971 and Rostow : 1971). On the other hand, there is another view-point which treats the entire world as one unit of analysis (Wallerstein : 1976).

As Chirot (1976 : 236) notes, there are no final judgements on these controversies. A further complicating factor is that the scholars on one side in one controversy are on the other side in another controversy. The three controversies themselves cut across each other.

II : HYPOTHESES

It has been argued convincingly that the family's organisational structure, determined by demographic variables such as birth, adoption, marriage, death, divorce, size and generational depth etc., affects the economic organizations controlled by the family (Sahai : 1973). That is, however, only a partial explanation : for, family's structure also includes its functional structure which is determined by a number of processes. Taking a cyclical view of development of family and industrial development in India, some hypotheses have been generated. 2/ Empirical testing of these would reveal institutional consequences of family dynamics in India and it may, then, be useful to consider steps which would reduce family disorganization and unbalanced industrial development.

- (1) As the family grows up in size and complexity, corresponding growth in size and complexity would be witnessed in its various dimensions.
- (2) Demand on the familial resources by the family members, and the community would induce the family to develop policies which would not only help in making choices for the present but would also give direction and structure to the future as well. From these would emerge the specifics of the solutions to various problems, set patterns of authority and decision making.
- (3) Upto a point growth in the family and growth in the industrial enterprises, controlled by the family, would coincide and in this phase potential crisis points in the family structure would also be crisis points in its industrial enterprises, because resource allocation functions in the family and entrepreneurial decision making on the industrial front would remain integrated.
- (4) At a more complex stage of family's history, however, family's functional structure i.e. interaction, authority structure and decision making would become more important than its organizational structure and familial and industrial resource allocation systems, earlier fully integrated, would assume separate identities although they would continue to operate in close concert. Two successful streams in this phase would be :

2 Some of these are being tested by the author himself (Verma : forthcoming).

- (a) One, where the family would function under a very authoritarian type of power structure but where effective crisis management strategies, both for the family as well as family controlled industrial enterprises, would keep the family and its industrial empire together. Spectacular growth may be recorded by such families in industrial field.
- (b) Two, where the family would function relatively in a democratic manner and where family's socio-cultural and economic profiles would get separated gradually. Economic activities in such cases would be managed more by the professionals and entrepreneurship in such families would be more diffused. Crisis management in the family and in the industry would be treated separately using distinct though complimentary methodologies.

Unsuccessful streams at the same stage would be :

- (a) One, where family would function under an authoritarian power structure without an effective crisis management strategy in the family. This would have its repercussions in the industry and industrial units would suffer as a consequence of tug of war between various members of family controlling them.
- (b) Two, where family would function in a democratic manner and where familial disagreement over resource allocation or even on purely socio-cultural matters would lead to a fission of the family. Consequently industrial enterprises would either be closed, ruined or divided. Family's economic growth would in any case suffer considerably.
- (5) In general, it is their time orientation, capacity to plan, the accompanying knowledge and skill in manipulating the means of planning - in particular the resources of the family, community, and the state - and excellent marshalling of organizational activities to execute decided goals relentlessly which would decide the success of different families on the industrial front.
- (6) Internal patterns of authority structures, openness of channels of communication, adequacy of communication among members, accuracy of perception of wishes and desires of other members among the leading industrial families would decide the direction, pace and content of industrialization on the one hand and their attitude toward various components of their environment (i.e. share - holders, employees, competitors, customers, governments at home and abroad) on the other. To that extent, ideology and cultural practices as actualized by different Kartas in different families, would be crucial to the health of both the families and the industries controlled by them.

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